



HISTORY

The Lerøy Seafood Group can trace its existence back to the end of the last century, when Ole Mikkel Lerøyen, fisherman and farmer, began to sell live fish in the Bergen Fishmarket. He towed his own catches and fish he had bought from other fishermen in fish-cages behind his rowing-boat from the island of Lerøy to Bergen, a trip that could take six to twelve hours, depending on the wind and tides.



This is how Ole Mikkel started his business at the fishmarket in Bergen in 1899

Ole Mikkel Lerøyen's activities gradually expanded to include retail sales in Bergen, sale of live shellfish at the beginning of an export trade. In 1939, two of his employees, Hallvard Lerøy Sr. and Elias Fjeldstad, founded what is now the group's main company, Hallvard Lerøy AS.

Since its foundation, this company has been a pioneer in several areas of the Norwegian fishing industry. Its main focus has always been on the development of markets for fresh and frozen fish products, and the company has very often been the first to penetrate new markets, or to commercialise new fish species.

The pioneering spirit is still very much alive in the Lerøy Group, which was the first company to export fresh salmon to the US market and to airfreight salmon direct to Japan.

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Shareholder information

It is the goal of the Lerøy Seafood Group to create financial values for its shareholders, staff and the community with the help of continued growth and improved profitability. The Lerøy Seafood Group aims to provide a satisfactory rate of return from all its activities. The yield to shareholders ought to reflect the added value generated by the company through dividends and share price performance on the stock market. The dividends paid should reflect the company's growth and its profitability.

The company's dividend policy implies that over time, dividends should lie in the region of 30 to 40% of the net profits after tax. However, care must be taken throughout to ensure that the company operates in line with good financial contingency planning as a guarantee for new and profitable investments. In the long run, wealth will be created in the form of a rise in share values rather than in declared dividends.

On-going structural changes in the industrial sector in which the company operates make it essential for the company at all times to maintain adequate financial planning. This in turn requires a close relationship with the company's shareholders and the equity capital markets. The company has always stressed the importance of maintaining the confidence of its financial partners and thus also access to capital on favourable terms.

Stock exchange listing

The Board's decision to apply for listing on the Oslo Stock Exchange remains in force, though the date for the company's introduction has not yet been decided. For the company and its shareholders, this date is important in relation both to the company's business strategy and to developments on the financial market in general.

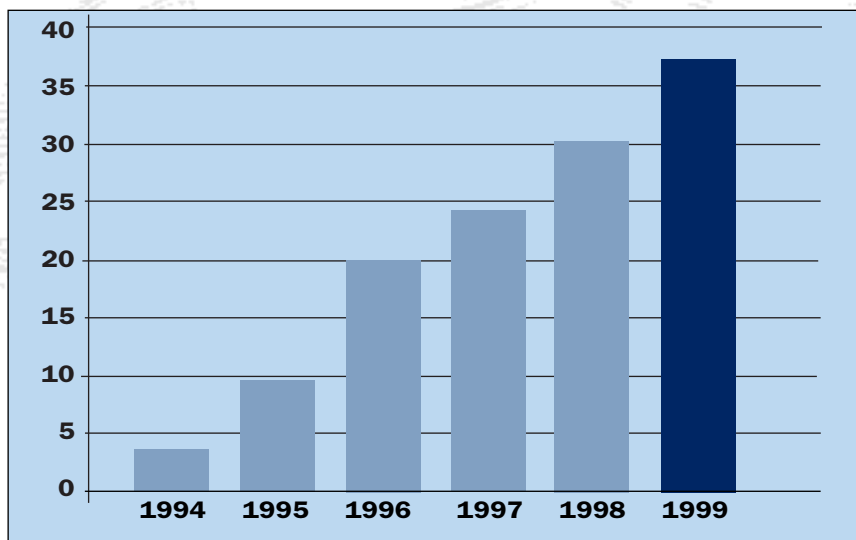
Shares

As at 31 December 1999, Lerøy Seafood Group ASA had issued 14,951,360 shares. These shares were distributed on 127 shareholders.



Key figures and graphs - Lerøy Seafood Group

Pre-tax profits (NOK mill.)

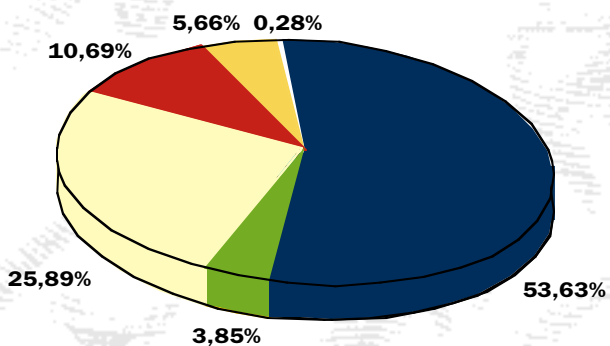


Key financial figures

	1999	1998	1997	1996	1995
Profit margin	1,87%	1,74%	1,47%	1,23%	0,59%
Operating margin	1,72%	1,80% ¹⁾	1,94%	1,88%	1,37%
Return on CE ²⁾	24,49%	22,88%	21,97%	24,62%	16,70%
Return on equity	20,69%	17,76%	26,39%	38,60%	30,98%
Equity ratio	32,93%	36,08%	32,80%	9,81%	6,83%

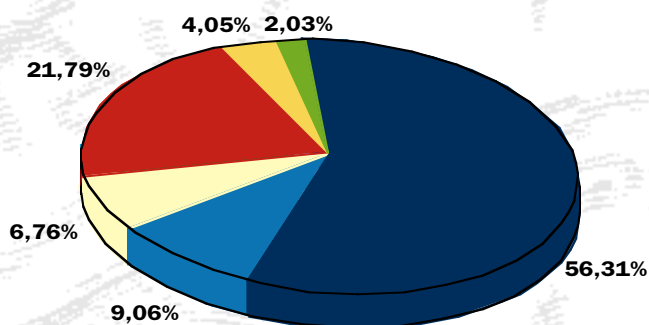
1) Adjusted for 1998 sales profit
2) Return on capital employed

Sales: markets



- Europe
- Eastern Europe
- Japan, China and other Asian markets
- USA/Canada
- Norway
- Others

Sales: products



- Whole salmon
- Fresh whitefish
- Frozen whitefish
- Processed salmon
- Pelagic fish
- Other products

Report of the Board of Directors for 1999

Financial situation

Gross sales for the Group rose by NOK 199.3 million in 1999 to NOK 1,949 million. Operating results for the Lerøy Seafood Group amounted to NOK 33.6 million in the year under review, an improvement from NOK 31.2 million (adjusted for sales profit) in 1998. The Group's operating margin in 1999 was 1.72% compared to 1.80% in 1998. Pre-tax profits were NOK 36.4 million, an increase of NOK 6.0 million compared to the corresponding 1998 figures. The Group's profits after tax in 1999 amounted to NOK 28.2 million compared to NOK 20.9 million in 1998.

The year's surplus corresponds to a profit of NOK 1.89 per share compared to NOK 1.40 in 1998. Yield on the Group's working capital is 24.5%. The Group is sound, with equity capital amounting to NOK 143.2 million, giving an equity ratio of 32.9%. In accordance with the Group's dividend policy, the Board proposes that the 1999 dividend payment should be NOK 0.60 per share, in all NOK 8,970,816.00.

Strategic goals and challenges

The Board of Directors will strive to sustain the good results achieved by the Group in recent years. Together with the company's management, the Board of Directors will continue its work of developing and adjusting the Group's business systems to the requirements of national and global conditions. There has been a strong focus in recent years on the structural changes occurring in the industry in Norway. These domestic changes can be seen as a result of developments in the world food market.

The Group wishes to participate actively in the processes that will be introduced in coming years. The Board emphasises the need for the Group to seek strategic, forward-looking models for its activities. These may include takeovers, mergers and similar measures. The Board's work will also encompass consideration of plans for procuring new capital, securing the necessary financial and

organisational conditions for the Group's long-term profit goals.

Market conditions

In 1999, the Group exported seafood to 49 countries, the largest markets being Japan, France and Sweden. The market for Norwegian seafood in the USA registered strong growth in 1999 and demand for the Group's products is good. Competition on the international food market is keen, but sales of seafood are good, and the Lerøy Seafood Group is committed to strengthening its position yet further. Markets which had showed signs of stagnation and uncertainty throughout 1998 and at the beginning of 1999, started to improve in 1999. Our subsidiary Hallvard Lerøy AS entered into an agreement with the EU Commission in 1997 concerning the sale of Norwegian salmon to EU markets. This agreement came into effect on 1 July 1997 and will run for five years.

Employees

The parent company Lerøy Seafood Group ASA has no employees. At the end of the year, the Lerøy Seafood Group had 179 employees as against 173 at the same time in 1998. The Board wishes to emphasise its appreciation of the contributions made by the staff of the Lerøy Seafood Group throughout 1999. This year, too, individual effort and flexibility have been vital in achieving the company's targets.

Health, safety and the environment

In 1999 the Group registered one minor incident resulting in injury. Total time lost due to illness in 1999 amounted to 7.0%, with 2.5% in short-term absences and 4.5% in long-term absences. The company's organisation is under continuous review to ensure that it will be able to deal with any new challenges that may arise. The working environment and cooperative atmosphere within the company are good. Refurbishment of the premises of our subsidiary Hallvard Lerøy AS has now been completed, providing the company and its employees with more suitable premises.



External environment

We do our best at all times try to keep up with the changing requirements of the authorities regarding environmental investments. The company's operations are linked to the natural conditions in Norwegian and international waters. The Group operates within the limits of its emission licences.

Annual results and allocation of profits in Lerøy Seafood Group ASA

In 1999, Lerøy Seafood Group ASA made a profit of NOK 8.6 million compared to last year's results of NOK 13.1 million.

The Board proposes that the profits for 1999 be allocated as follows:

Dividend NOK 0.60 per share	8 970 816
Transferred from distributable reserves	414 973
Total allocation	8 555 843

Operations to date in 2000 and prospects for the future

The Group's level of activity is rising and the Board considers future prospects for the Group to be good. As an actor in an international industry, the Group will always be affected by developments occurring on an international scale. However, in order to ensure continued growth and increased creation of wealth, it is vital that the political authorities strive for good and predictable framework conditions for the production, marketing and sale of Norwegian seafood.

As in previous years, there was a clear improvement in the Group's results, and the Board expects this to continue. Given the many years during which the Group has invested in networking, product and market development, quality assurance and trade-name development, the Board of Directors of the Lerøy Seafood Group believes the prospects to be good for further wealth creation both for the company's shareholders and for its partners.

Bergen, 16 April 2000
The Board of Lerøy Seafood Group ASA




Aksel J. Linchusen




Hallvard Lerøy Jr
(Chairman)





Svein Milford




Fons Brusselmans




Hans Petter Vestre
(staff representative)

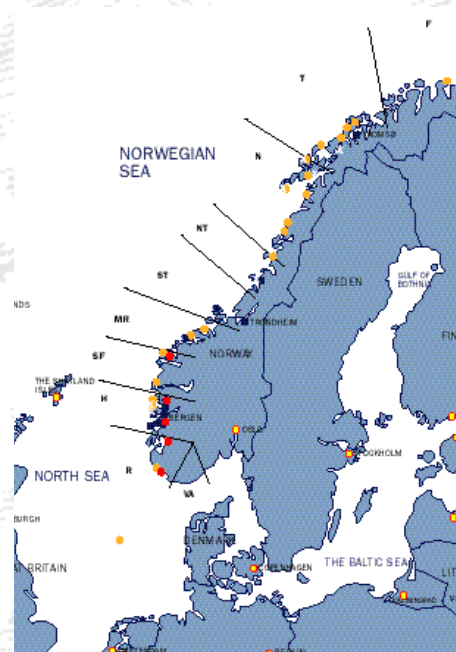
Management Report 1999

1. Product ranges

In 1999, the Lerøy Seafood Group worked with production, product development, marketing and market development of marine products. Divided into the main sectors of salmon products, whitefish, pelagic fish and shellfish, these products are offered to the Norwegian market and 49 other markets worldwide. The Lerøy Seafood Group is strategically well dispersed both in terms of product range and geographic markets. The company's product range provides advantages in most market areas. The company's strategy for meeting the market's ever-increasing demands for quality, range of products, efficiency and continuous supply is largely implemented via strategic alliances with sea farms, fishing vessels and fish-processing plants all along the coast of Norway. The Group's business systems are under constant review. The Lerøy Seafood Group holds a large share of the market for fresh fish products, at present around 74%, and expects this share to increase in coming years. In addition, there is a clear trend towards a rising level of processing throughout our range of products.

Salmon

Around 11.8% of the total exports of Norwegian salmon come from the Lerøy Seafood Group. In 1999, the rate of growth enjoyed by the Lerøy Seafood Group was higher than for the industry in general. Whole salmon is still the largest Norwegian export item in this field. However, as in 1999, the company believes that future growth will be greatest in the area of processed salmon products. The Lerøy Seafood Group's market position in this product area is good. Throughout 1999, Norway remained the world's largest producer of salmon, the company's main product. Norway remains the largest supplier of Atlantic salmon, even when the figures include wild salmon. Norwegian production of farmed salmon in 1999 amounted 409,000, an increase of 66,000 tons over the previous year.



Total production of farmed Atlantic salmon in other European countries rose from 150,000 tons to 177,600 tons in 1999. Production also increased in the USA and Canada in 1999, with total production reaching 80,000 tons. In Chile, on the other hand, growth was somewhat weaker, increasing from 107,000 tons in 1998 to 109,500 tons in 1999. Total global production of Atlantic salmon in 1999 was 791,000 tons, compared to 689,000 tons in 1998. The Atlantic salmon global production growth rate was thus all of 14.8%. In 1996, action taken by Scottish and Irish fish farmers led the EU's Fisheries Commission to open an enquiry into allegations of dumping against the Norwegian fish farming industry. The outcome of this enquiry was an agreement signed by the European Commission and Norwegian export companies in 1997, the purpose of which was to ensure that Norwegian farmed fish was not sold below a fixed minimum price and that sales of Norwegian farmed salmon to the EU did not rise by more than 10% p.a. over the next two years. In connection with the agreement, it was also decided that the duty on salmon exported to the EU would increase from 0.75% to 3.0%. In addition to the politically motivated trade barrier that this agreement represents, the Norwegian aquaculture

industry is also experiencing limitations on production in the shape of feed quotas and fish-density regulations. If this industry is to continue its wealth creation and remain competitive, Norwegian authorities will have to take steps to ensure that conditions are favourable in a long term perspective. In the long run, the industry will not be able to live with such costly framework conditions. As expected, a sharp focus on product and market

this product group has developed favourably and involves cooperation with a number of small and medium-sized financially profitable companies. Our association with these businesses is to be expanded and it is hoped this will provide many positive opportunities in the future. At present, whitefish farming is still a relatively modest business area, but one that is expected to show positive growth in coming years.



development in 1999 led to increased sales of processed salmon products. The company expects the trend towards steadily rising levels of processing to continue, making greater demands on the various performers involved. Standards of efficiency, quality and long-term commitment will increase in both production and marketing sectors. The Lerøy Seafood Group will continue to invest substantial resources in its market development work for processed salmon.

Trout and Arctic char

In 1999, Norwegian exports of trout reached about 49,000 tons, an increase from 46,000 tons in 1998. Trout continues to account for only a small proportion of the company's sales of farmed products, though the company did share in the positive growth experienced generally in this interesting and expanding product area.

The market for Arctic char continues to improve satisfactorily, and the Lerøy Seafood Group has improved its position in exports of this niche product.

Whitefish

Whitefish is the second largest product area for the Lerøy Seafood Group. In recent years,

The quotas for the most important species of whitefish taken north of the 62nd parallel have increased during the 1990s. Cod and haddock quotas were reduced sharply, while that for saithe increased slightly. The cod quota was cut back from 313,000 tons in 1998 to 236,000 tons in 1999. In 1998, the haddock quota was 66,000 tons, but this was reduced to 46,000 tons in 1999. The quota for saithe remained at virtually the same level in 1999 (145,000 tons) as in 1998 (144,000 tons).

Deliveries of Russian cod to Norwegian processing plants rose in 1999 from 121,000 tons in 1998 to 140,000 tons in 1999. There is also a small quantity of cod which Norwegian fishing boat owners have bought from Russian quotas.

Pelagic fish

The 1998 mackerel quotas remained unchanged in 1999 at 157,000 tons. Foreign vessels landed 140,161 tons, an increase from the 1998 figures of 127,000 tons. The total export value of mackerel was somewhat reduced in 1999 compared to 1998.

Of the in all 46 different nations importing Norwegian mackerel in 1999, Japan once again

dominated the market, taking a total quantity of 153,000 tons, an increase from the 1998 figure of 123,000 tons.

The quota ceiling for Norwegian spring-spawning herring in 1999 was set at 741,000 tons, the same as in 1998. The Norwegian quota for North Sea herring was 87,870 tons compared to 85,580 in 1998. In addition, foreign vessels landed about 65,000 tons, a decline of about 10,000 compared to 1998.

This year, too, pelagic fish accounts for only a small part of the company's activities. Expectations of stable, adequate earnings,

Norwegian quota (including acquisition of Russian quotas) is for a total of 285,000 tons.

2. Market Areas

Thanks to our focus on improved logistics, cost-efficiency and forward-looking market segments, the company succeeded in sustaining the good results of recent years also through 1999. The Group's main markets are within the EU. As expected, the increase in sales to the Asian market was satisfactory throughout 1999; the stagnation noted in 1998 was replaced by strong growth. The Lerøy Seafood Group considers future prospects in



together with improved solvency in several of the main markets for pelagic fish has again revived interest in this product area. In the long term, the company foresees the possibility of improving its utilisation of pelagic products through intensified concentration on product development combined with a greater geographic diversification. The Lerøy Seafood Group is a leading supplier of fresh pelagic fish to both Norwegian and European markets. Deliveries of fresh pelagic fish represent a small but interesting niche product.

Capelin

As expected, the prohibition on capelin fishing in the Barents Sea was withdrawn in 1999. About 50,000 tons was taken in the Barents Sea during 1999, but increased fishing for capelin is expected in this area in 2000. The

South-East Asia to be good and will be emphasising continued development of these markets. Positive trends are also registered in Russia and the rest of Europe outside the EU and we expect these trends to continue in coming years. The United States/Canadian market has come up to the company's expectations of strong growth in 1999, and we believe that sales to these markets can be expanded in 2000. While the Lerøy Seafood Group will maintain its wide geographic distribution of markets, we intend to concentrate our efforts more specifically on selected markets in which it will be our goal to maintain or acquire significant market shares. Developments in the world food market shows that marketing work is becoming more and more demanding requiring a variety of approaches to the individual markets. In the

years to come, therefore, the Lerøy Seafood Group will continue to strive to give its customers individual, forward-looking solutions, thus providing the Group and its associates with the best possible opportunities for development.

Norway

The domestic market is one of the biggest customers for Norwegian fish products. The Lerøy Seafood Group is well positioned in this market, providing the Group with useful

interesting joint venture projects. The demand for fresh quality products has increased and will continue to increase in the years to come.

In addition to its subsidiary Nordvik SA, the Lerøy Seafood Group has established sales offices in France (1994) and Spain (1995).

Eastern Europe

After a difficult period from the summer of 1998 and into 1999, this market has gradually started to improve. In coming years, therefore,



know-how in the fields of product development and international marketing.

Europe

The various EU markets continue to be the most important customers for Norwegian fish. However, with the exception of 1998, the importance of EU markets has declined in recent years compared to other market areas. The company expects the structural changes in the food market to continue. These changes will require increasing commitment and optimum use of resources within the production, marketing and sale of seafoods. For several years already, the Lerøy Seafood Group has been actively engaged in responding to these developments and has therefore been in a position to undertake demanding, but

the company expects once again to register growth in this market. The difficult economic and political situation in several of these areas has impacted strongly on our marketing. Historically, the general economic situation in this market region has presented us with a substantial challenge with respect to security of payment.

If political stability and economic progress can be achieved in Russia, this will contribute towards growth and interesting business opportunities.

USA/Canada

The growth in sales to this market met our expectations in 1999, and it is clear that the priorities established by the company in recent

years have paid off. Historically, this market has been particularly important for the company's frozen whitefish products, but developments throughout 1999 show that the company is also acquiring a firm foothold for its processed salmon products.

Asia

The Lerøy Seafood Group set up a sales office in China in 1996, located in Beijing. The company's earlier work on the Chinese market has enabled us to build up a leading position for ourselves in this region. The Lerøy Seafood

has been very good, with the figures for 1999 confirming expectations.

Japan remains by far the largest single market in this region. With the establishment of a sales office in Tokyo (1997), the Lerøy Seafood Group has created a basis for several good and forward-looking contracts on the Japanese market. The company will continue to work closely with customers who offer good prospects for further expansion, particularly in the area of processed products.

Selling fresh products to South-East Asia and China make heavy demands on our logistics.



Group has strengthened its position as the leading exporter of Norwegian salmon to China and results in this area provide a sound foundation for future growth.

The Lerøy Seafood Group was an early exporter of fish to Japan and South-East Asia and thanks to long-term strategies and carefully planned use of resources has succeeded in acquiring a firm position in the region. Recovery on this market after the so-called "Asian illness" has been strong and with the exception of 1998, growth in this region

For this reason, the Lerøy Seafood Group was the first company to set up its own charter routes to Japan.

Standards of slaughtering, packaging, transport and chilling are high in all markets, and quality assurance routines are of decisive importance particularly because of the way in which these products are used on these markets. The company continued to improve its logistic concept during 1999 and is constantly seeking to find better solutions to its complicated logistics problems.

3. Organisation

Hallvard Lerøy AS

Since 1 January 1996, our subsidiary Hallvard Lerøy AS in Bergen has been organised in accordance with our markets. This form of organisation meets the desire of the Lerøy Seafood Group to satisfy market demands for a wide range of products. Hallvard Lerøy AS is responsible for most of the Group's sales with total sales in 1999 amounting to NOK 1,846 million, giving a pre-tax profit of NOK 26.9 million.

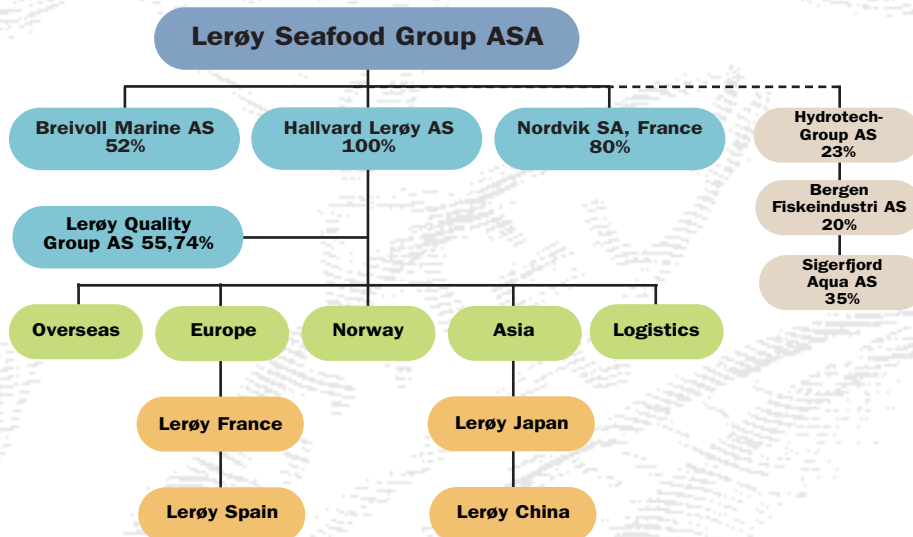
International sales and marketing demand a high level of expertise and a high degree of flexibility. For this reason, our organisation consists of people from different sectors of trade and industry and with different formal backgrounds and experience. As the company is engaged in an industry where the framework conditions are constantly changing and developing, it is important that our staff maintain and extend their skills and competence. Our organisation can be described as young but experienced. Constant

changes in the company's operating environment require dynamic and flexible co-workers, and Hallvard Lerøy AS's employees meet these requirements. They are dedicated to improving the company's competitive skills and results and to making sure that the company will be able to satisfy future demands, and thus also the company's long-term profit targets.

With the aim of meeting future developments in the world food market, the company is seeking to develop its organisation through projects linked to the strategic goals defined by its Board of Directors.

Breivoll Marine AS

In 1999, Breivoll Marine AS had a turnover of NOK 740,000, and a pre-tax result of NOK 492,000. Breivoll Marine AS is a property company that owns a fish processing plant on the island of Rolløya near Harstad. All production is in the hands of Breivoll Marine Produkter AS, in which the Lerøy Seafood Group is a minority shareholder.



Lerøy Quality Group AS

The 1999 income of the Lerøy Quality Group AS amounted to NOK 1,204,000, giving a pre-tax result of NOK 1,251,000. Lerøy Quality Group AS is a continuation of the interest organisation Lerøy Quality Group (LQG) established in 1993. This company is owned by more than 20 fish-farming companies and Hallvard Lerøy AS. These fish farmers produce a large proportion of the salmon sold by the Lerøy Seafood Group. The Lerøy Quality Group is a long-term financial investor in listed shares.

Nordvik SA

Nordvik SA maintained its position during 1999 as one of France's most important importers of fresh fish. Nordvik SA had a turnover of NOK 120.9 million and a result of 0. The company has improved its earnings, but has not yet met the Group's profit target.

4. Priority tasks

The Lerøy Seafood Group's vision is to be the leading, most profitable Norwegian supplier of seafood. To achieve this, the company must continue to focus particularly on:

Alliances,

- constantly improving its business system which is based on long-term and committed alliances with both suppliers and customers to ensure rational supplies of products adapted to the various markets,

Market orientation,

- emphasising market orientation and risk control and avoiding a low-price profile,

Quality,

- being a leading company in quality assurance,

Knowledge,

- prioritising the development of internal competence with respect to management, financial control, product and market know-how and systematic marketing,

thus ensuring the best possible utilisation of available resources to provide optimum wealth creation for the company and its partners.

Group management



Øyvind Fossøy
Assistant General Manager



Ole-Eirik Lerøy
Managing Director



Helge Singelstad
Financial Director

Income Statement

All figures in NOK 1,000

	Notes	Lerøy Seafood Group ASA 1999	Lerøy Seafood Group ASA 1998	Lerøy Seafood Group Consolidated 1999	Lerøy Seafood Group Consolidated 1998
OPERATING INCOME AND OPERATING COSTS					
Income from sales	13	1 629	7 422	1 948 957	1 749 611
Cost of materials				1 819 122	1 613 445
Salaries and other personnel costs	14,11			46 574	49 596
Other operating costs	16	473	714	41 354	41 822
Ordinary depreciation	2,3	1 133	1 048	4 892	4 526
Bad debts	7			3 419	5 420
Total operating costs		1 606	1 762	1 915 362	1 714 809
OPERATING RESULT		23	5 660	33 595	34 802
NET FINANCIAL ITEMS					
Income on investments in subsidiaries	9	9 000	10 000		
Income from affiliated companies	4			6 194	
Net financial items	15	2 376	2 468	-3 417	-4 414
Pre-tax profits		11 399	18 128	36 373	30 388
Total tax expenses	12	-2 843	-4 974	-8 144	-9 488
YEAR'S PROFIT		8 556	13 154	28 228	20 900
Majority interest		8 556	13 154	27 653	20 507
Minority interest	4			575	393
Information on:					
Allocated to undistributable reserves	1	-415	5 678		
Allocated to distributable reserves		8 971	7 476		



Balance Sheet

All figures in NOK 1,000

	Notes	Lerøy Seafood Group ASA 1999	Lerøy Seafood Group ASA 1998	Lerøy Seafood Group Consolidated 1999	Lerøy Seafood Group Consolidated 1998
FIXED ASSETS					
Goodwill	2			2 350	2 686
Total intangible assets				2 350	2 686
Operating equipment	3			9 517	5 340
Buildings and real estate	3	14 256	13 295	21 280	20 818
Total fixed assets		14 256	13 295	30 797	26 158
Stocks and shares	4	11 747	245	13 063	1 792
Shares in subsidiaries	4	39 613	39 613		
Shares in affiliated companies	4	20 395		26 589	
Total financial assets		71 755	39 858	39 652	1 792
Total fixed assets		86 011	53 153	72 799	30 636
CURRENT ASSETS					
Total stock in trade	8			27 753	23 925
Accounts receivable	7			268 960	240 122
Accounts receivable, Group	9	60 998	76 502		
Other receivables	7	150	6 526	32 935	38 375
Total receivables		61 148	83 028	301 895	278 497
Shares and securities				970	1 488
Total investments				970	1 488
Total liquid assets	6	395	308	31 461	11 829
Total current assets		61 543	83 336	362 078	315 739
Total assets		147 554	136 489	434 877	346 375



Balance Sheet

All figures in NOK 1,000

	Notes	Lerøy Seafood Group ASA 1999	Lerøy Seafood Group ASA 1998	Lerøy Seafood Group Consolidated 1999	Lerøy Seafood Group Consolidated 1998
EQUITY					
Share capital	10	14 951	14 951	14 951	14 951
Premium reserves	1	69 913	69 913	69 913	69 913
Total equity contributions		84 864	84 864	84 864	84 864
Other equity	1	17 068	17 483	55 837	37 553
Total earned equity		17 068	17 483	55 837	37 553
Minority interests				2 503	2 365
Total equity	1	101 932	102 347	143 204	124 782
LIABILITIES					
Pension commitments	11			647	886
Deferred tax	12	53	499	871	1 256
Total other long-term liabilities		53	499	1 518	2 142
Mortgage loans	6			11 369	13 522
Other long-term liabilities	6	10 577	10 577	10 577	10 578
Total other long-term liabilities		10 577	10 577	21 946	24 100
Total long-term liabilities		10 630	11 076	23 464	26 242
Accounts payable			48	236 148	157 710
Short-term loans				189	3 181
Accounts payable, Group	9	22 592	10 251		
Unpaid dues, etc.				5 945	10 954
Taxes	12	3 283	5 121	8 595	9 712
Allocated to payment of dividends		8 971	7 476	8 971	7 476
Other long-term liabilities		145	170	8 361	6 318
Total short-term liabilities		34 991	23 066	268 209	195 351
Total equity and liabilities		147 554	136 489	434 877	346 375
Mortgages	6	10 577	10 577	21 946	27 011
Forward contracts	5			184 858	120 943

Bergen, 16 March 2000

The Board of Directors, Lerøy Seafood Group ASA


Aksel J. Linchausen


Hallvard Lerøy Jr
Chairman


Svein Milford


Fons Brusselmans


Hans Petter Vestre
Employees' representative

Cash Flow Analysis

All figures in NOK 1,000	Lerøy Seafood Group ASA		Lerøy Seafood Group Consolidated	
	1999	1998	1999	1998
Cash flow from operations				
Pre-tax result	11 399	18 128	36 373	30 389
Tax paid	(5 127)	(11)	(9 646)	(4 487)
Profit/loss from sale of fixed assets		(6 418)	(8)	(6 418)
Profit/loss from sale of shares			(350)	
Ordinary depreciation	1 133	1 048	4 892	4 526
Fixed asset depreciation				
Share depreciation			427	
Changes in inventories			(3 828)	1 901
Changes in accounts receivable			(30 021)	(16 007)
Changes in accounts payable	(48)	(3 167)	78 438	(3 418)
Changes in other accrued items	6 352	(12 040)	1 638	1 115
Effect of fluctuating foreign exchange rates			1 183	(2 894)
Changes in pension commitments booked in balance sheet			(239)	347
Income from investments in subsidiaries	(9 000)	(10 000)		
Changes in results of affiliated companies (equity method)			(6 194)	
Net cash flow from operations	4 709	(12 460)	72 665	5 054
Cash flow from/to investments				
Payments received from sale of fixed assets			146	8
Payments made for acquisition of fixed assets	(2 094)	(10 251)	(9 333)	(13 759)
Payments received on long-term accounts payable				
Payments made on long-term accounts payable				
Payments received from sale of stocks and shares in other businesses		6 805	978	6 805
Payments made for acquisition of stocks and shares in other businesses	(31 897)		(32 203)	(1 663)
Payments made on acquisition of other investments				
Payments made on short-term receivables from loans				
Payments received on short-term receivables from loans				
Payments made on short-term receivables from loans, Group		(10 415)		
Payments received on short-term receivables from loans, Group	15 504			
Net cash flow from investments	(18 487)	(13 861)	(40 412)	(8 609)
Cash flow from financial operations				
Net payments received on overdraft facilities				
Net payments made on overdraft facilities			(2 992)	(18 458)
Payments received from acquisition of new long-term liabilities				13 078
Payments received from acquisition of new short-term liabilities	12 341	9 983		
Payments made for repayment of long-term liabilities		(8 360)	(2 153)	(14 260)
Payments made for repayment of short-term liabilities				
Paid-in equity		2 000		2 000
Repayment of equity				
Payment of dividends	(7 476)	(6 000)	(7 476)	(6 000)
Payments of shareholder contributions received				
Payments of group contributions received	9 000	10 000		
Payments of group contributions made				
Net cash flow from financial operations	13 865	7 623	(12 621)	(23 640)
Net cash flow for period	87	(18 698)	(19 632)	(27 195)
Cash position at beginning of period	308	19 007	11 829	39 024
Cash position at end of period	395	308	31 461	11 829

Notes to the Annual Accounts for 1999

Accounting principles:

The annual accounts have been drawn up in accordance with the Accounting Act of 1998 and generally accepted accounting standards.

All figures in the note are in NOK 1000.

Principles of consolidation

The consolidated accounts comprise the parent company Lerøy Seafood Group ASA and its subsidiaries Hallvard Lerøy AS, Nordvik SA, Lerøy & Strudshavn AS, Lerøy Quality Group AS and Breivoll Marine AS.

The consolidated accounts are drawn up according to uniform principles, in that the subsidiaries apply the same accounting principles as the parent company. Inter-company transactions, accounts receivable and payable are eliminated. The accounts of the subsidiaries are converted at the rate of exchange on 31 December, and conversion differences are entered against the Group's equity capital. On consolidation, the acquisition price of shares in subsidiaries is eliminated against the equity in the subsidiaries at the time of acquisition. The difference between the acquisition price and net book value of assets in subsidiaries at the time of acquisition is assigned to the assets to which the premium is linked within the market value of these assets. That part of the acquisition price that cannot be ascribed to specific assets represents goodwill. Goodwill is written down linearly over its assumed financial life.

Affiliated companies

In the consolidated accounts, affiliated companies are valued according to the equity method. The consolidated account share of the results is based on the company's results after tax less internal profits and any depreciation on premium due to the fact that the acquisition price of the shares was higher than the acquired proportion of the booked equity. In the Income Statement, this profit is shown under Financial Items, while the asset is shown in the Balance Sheet under Financial Assets.

Income from sales

Sales are booked to income at the time of delivery.

Classification and assessment of balance sheet items

Current assets and short-term liabilities comprise items due for payment within one year of the accounting day, as well as items related to the production cycle. Other items are classified as fixed assets/long-term

liabilities. Current assets are assessed at the lower of acquisition cost and real value. Short-term liabilities are entered in the Balance Sheet at their nominal value at the time of establishment. Fixed assets are valued at acquisition cost, but written down to real value if the decline in value is not considered to be temporary. Long-term liabilities are booked in the Balance Sheet at their nominal value at the time of establishment.

Accounts receivable

Accounts receivable and other receivables are booked in the Balance Sheet at face value less allocations for anticipated loss. Loss allocations are made on the basis of individual assessments of the various items. In addition, an unspecified allocation is made in Other Customer Receivables for the distribution of anticipated loss.

Stocks in trade

Stocks in trade are valued at the lower of either cost of purchase or real value.

Fixed assets

Fixed assets are entered in the accounts at cost less financial depreciation. The linear depreciation method is applied to fixed assets. Leased assets are treated in the accounts as operational leases.

Foreign currencies

Accounts receivable and payable in foreign currencies are valued at the rate of exchange at the end of the financial year. The company seeks to protect itself against fluctuations in exchange rates by means of various instruments, mainly forward contracts, which are also valued at the rate of exchange on the accounting day and booked against accounts receivable in the Balance Sheet.

Short-term investments

Short-term investments (stocks and shares assessed as current assets) are valued at the lower of average acquisition price and real value on the accounting day. Dividends and other distributions received from the companies are booked as Other Financial Income.

Long-term investments

Long-term investments (stocks and shares assessed as fixed assets) are booked in the Balance Sheet at acquisition price. The investments are written down to real value if the decrease in value is not considered to be temporary. Dividends and other distributions received from the companies are booked as Other Financial Income.

Fixed assets

Fixed assets in the accounts are booked at acquisition price less accumulated depreciation. The depreciations are distributed linearly on assumed economic life. Leased operating equipment is to be treated as Operational Leasing in the accounts.

Pension commitments

The figures used for booking pensions are based on the linear earning profile and anticipated final salary. Planned changes are accrued over the anticipated remaining earning period. The same applies to deviations from the estimate to the degree they exceed 10% of the higher of pension commitments and pension funds (corridor). The employer's tax contribution is included in these figures.

Tax

Skattekostnaden i resultatregnskapet omfatter Tax Payable in the Income Statement includes both the tax payable during the period and changes in deferred tax. Deferred tax is calculated at a rate of 28% on the basis of the temporary differences that exist between accounting and taxable values, as well as the assessed deficit to be carried forward at the end of the financial year. Temporary tax-increasing and tax-decreasing differences which reverse or may reverse these figures in the same period have been assessed and booked at net value.

Note 1 Equity

Conversion of equity at 01.01 pursuant to new accounting legislation, and the year's changes in equity.

Lerøy Seafood Group ASA	Share-capital	Statutory reserves	Distributable reserves	Premium reserves	Other equity	Total
Equity at 31.12.98 calculated according to earlier legislation	14 951	69 913	17 483		102 347	
Transferred from statutory reserves to other equity						-
Transferred from statutory reserves to premium reserves		-69 913		69 913		-
Transfer of distributable reserves			-17 483		17 483	-
Equity at 31.12.1998 according to new accounting plan	14 951	-	-	69 913	17 483	102 347
The year's results transferred to equity	-				-415	-415
Equity at 31.12.1999	14 951			69 913	17 068	101 932
Lerøy Seafood Group consolidated equity at 31.12.98	122 417					
The year's results transferred to equity	18 682					
Foreign exchange differences	-398					
Equity at 31.12.1999 *	140 701					

* Excluding minority interests



Note 2 Intangible assets

Lerøy Seafood Group Consolidated	Goodwill
Acquisition cost at 01.01.99	3 358
Intangible assets acquired	
Intangible assets disposed of	
Acquisition costs at 31.12.99	3 358
Accumulated depreciations 31.12.99	
Accumulated write-downs 31.12.99	1 008
Reversed write-downs 31.12.99	
Book value at 31.12.99	2 350
Year's depreciations	336
Year's write-downs	

Goodwill is linked to the last part of the acquisition of the subsidiary Hallvard Lerøy AS in 1997. This is depreciated over ten years.

Note 3 Fixed assets

Lerøy Seafood Group ASA						
Fixed assets	Real estate	Buildings				Total
Anskaffelseskost pr 01.01.99	2 090	22 770				24 860
Cost of acquisition, 01.01.99		2 094				2 094
Fixed assets acquired						
Fixed assets disposed of						
Acquisition cost, 31.12.99	2 090	24 864				26 954
Accumulated depreciations 31.12.99		12 698				12 698
Accumulated write-downs 31.12.99						
Reversed write-downs 31.12.99						
Book value at 31.12.99	2 090	12 166				14 256
Year's depreciation		1 133				1 133
Lerøy Seafood Group, consolidated figures	Real estate, garages	Buildings	Machinery, fittings	Fittings, computers	Transport equipment	Total
Cost of acquisition, 01.01.99	2 120	24 250	11 671	12 405	207	50 653
Capital gain on takeover		6 681				6 681
Fixed assets acquired		2 094	5 173	1 725	341	9 333
Fixed assets disposed of					207	207
Cost of acquisition, 31.12.99	2 120	33 025	16 844	14 130	341	66 460
Accumulated depreciations 31.12.99		12 861	10 565	11 195	40	34 661
Accumulated depreciations of capital gains on takeover		1 002				1 002
Accumulated write-downs 31.12.99						
Reversed write-downs 31.12.99						
Book value at 31.12.99	2 120	19 162	6 279	2 935	301	30 797
Year's depreciations		1 630	1 543	1 331	52	4 556
Year's write-downs						

Both the parent company and the Group depreciate all fixed assets according to the linear method. The economic life of the assets is calculated as follows:

- * Buildings and other real estate, incl. capital gains upon takeovers 20 years
- * Machinery and fittings 3-15 years
- * Building sites Constant value

Note 4 Subsidiaries, affiliated companies, etc

Subsidiary	No. of shares	Ownership share	Acquisition cost	Book value
Hallvard Lerøy AS	230 000	100,0 %	36 657	36 657
Nordvik SA	2 000	80,0 %	2 523	2 523
Lerøy & Strudshavn AS	96	100,0 %	233	233
Breivoll Marine AS	260	52,0 %	200	200
Total no. of shares			39 613	39 613

Affiliated companies are valued according to the equity method in the consolidated accounts..

Hydrotech - Gruppen AS, Kristiansund, 22,9 %

Capital gain analysis	Hydrotech-Gruppen AS
Balance sheet equity at time of acquisition	16 778
Intangible capital gains	3 617
Acquisition costs	20 395

Calculation of share in the year's results

Share in the year's result	6 555
Depreciation of intangible capital gains	361
Share in the year's result	6 194

Calculation of book value at 31.12.99

Acquisition price	20 395
Share in the year's result	6 194

Closing balance 31.12.99 **26 589**

Book value of intangible capital gains at 31.12.99 3 256
 The depreciation rate according to the linear method for Intangible capital gains in affiliated companies is 10% p.a.

Other shares	No. of shares	Ownership share	Acquisition cost	Book value
Bergen Fiskeindustri AS	6 000	20,0 %	10 002	10 002
Other minor shareholdings			1 745	1 745
Total shares Lerøy Seafood Group ASA			11 747	11 747
Bulandet Eiendom AS	625	12,67 %	625	625
Bodø Fiskeindustri AS	2 390	13,3 %	2 390	-
Misc. minor shareholdings			691	691
Total shares Lerøy Seafood Group Consolidated			15 453	13 063

Note 5 Forward exchange contracts

The table shows forward exchange contracts as at 31 December 1999. All contracts concern the sale of currency against the Norwegian kroner.

	Value in currency	Rate of exchange	NOK
USD	12 800	7,907	101 211
EURO	2 500	8,185	20 463
JPY	740 000	0,078	57 402
GBP	300	12,921	3 876
CAD	350	5,447	1 906
Total			184 858

Note 6 Accounts receivable and payable

Accounts receivable, payment due later than one year hence	Lerøy Seafood Group ASA		Lerøy Seafood Group Consolidated	
	1999	1998	1999	1998
Other accounts receivable	150		1 098	1 476
Total	150		1 098	1 476
Long-term liabilities, payment due later than five years hence				
	1999	1998	1999	1998
Mortgage liabilities			500	2 500
Total			500	2 500
	Lerøy Seafood Group ASA		Lerøy Seafood Group Consolidated	
	1999	1998	1999	1998
Debt secured through mortgage				
Other long-term liabilities/mortgage liabilities	10 577	10 577	21 946	27 011
Guarantees made on behalf of the Group			11 500	11 500
Total	10 577	10 577	33 446	38 511
Mortgaged assets:				
Bank deposits			15 635	10 120
Accounts receivable			250 653	225 368
Stock in hand			25 200	22 865
Shares in subsidiaries	36 657	36 657		
Buildings	14 256	13 295	19 935	19 308
Total	50 913	49 952	311 423	277 661
Total interest-bearing liabilities in the Group			22 135	27 281

Note 7 Accounts receivable

Lerøy Seafood Group Consolidated

At 31.12.99, NOK 2.2 million was allocated to cover anticipated losses.

Bad debts are calculated as follows:	1999	1998
Established losses	5 559	3 865
Repaid, previously written off losses	-89	-154
Changes in allocations to losses	-2 051	1 709
Bad debts =	3 419	5 420

Accounts receivable are generally secured through credit insurance arrangements.

Other accounts receivable in the Balance Sheet consist mainly of VAT receivable in Norway.

Note 8 Stock in trade

Lerøy Seafood Group Consolidated	1999	1998
Hallvard Lerøy AS	25 200	22 865
Nordvik SA	2 553	1 060
Total value stock in trade, consolidated	27 753	23 925

Note 9 Intercompany accounts with companies in the same Group and affiliated companies

Lerøy Seafood Group ASA		
Accounts receivable	1999	1998
Hallvard Lerøy AS	60 998	76 502
Total	60 998	76 502
Liabilities	1999	1998
Hallvard Lerøy AS	22 592	10 251
Total	22 592	10 251

Group contribution

Income from investments in subsidiaries is the group contribution from the subsidiary Hallvard Lerøy AS

Note 10 Share capital and shareholder information

Lerøy Seafood Group ASA			
The share capital consists of:	No.	Face value	Share capital
Shares	14 951 360	1	14 951 360
Total	14 951 360		14 951 360

Lerøy Seafood Group ASA has 127 shareholders at 31.12.99. All shares carry the same rights in the company.

Shareholders owning more than 1.0% of the shares at 31.12.99	No. of shares	Ownership share
Lerøy Ole-Eirik	5 135 000	34,34 %
Lerøy Hallvard	1 740 900	11,64 %
Lerøy Knut Hallvard	1 544 410	10,33 %
SND Invest AS	1 127 941	7,54 %
Den norske Bank ASA	720 000	4,82 %
Lerøy George-Harald	686 320	4,59 %
Tine Pensjonskasse	593 000	3,97 %
Verdipapirfondet Skagen Vekst	507 700	3,40 %
Lime AS	418 160	2,80 %
Alsaker Fjordbruk AS	341 640	2,29 %
Iversen Gunnar W.	252 500	1,69 %
Bremnes Fryseri AS	243 169	1,63 %
Fjeldstad Trond	223 700	1,50 %
Bergensbanken ASA	180 000	1,20 %
Salmar AS	175 000	1,17 %
A/L Nordsjø	165 020	1,10 %
Simonsen Tor	150 000	1,00 %
Others	746 900	5,00 %
Total	14 951 360	100 %

Through direct ownership (5,135,000) and via Lime AS (418,000)), the Group Managing Director and Chief Executive Ole-Eirik Lerøy owns a total of 5,553,160 shares.

The Chairman of the Board of Directors Hallvard Lerøy owns 1,740,900 shares, and persons close to him own 8,930 shares.

Board Members Svein Milford and Alfons Brusselmans each own/control 10,000 shares.

Note 11 Pensions commitments

The subsidiary Hallvard Lerøy AS has a group retirement pension scheme for its employees, as well as an uninsured scheme covering three previous employees which is charged to operations. The group pension scheme entitles policy holders to defined future benefits. These depend mainly on the number of contributing years, salary level at retirement and the benefits payable by the national insurance scheme. The commitments are covered by an insurance company.

	Lerøy Seafood Group Consolidated	
	1999	1998
Current value of pensions earned	252	273
Interest costs from commitments	219	225
Yield on pension funds	-244	-206
Employer's national insurance contributions	-17	-44
Net pension cost	210	248
Current value of future pension commitments	4 032	4 162
Pension funds	(3 957)	(3 400)
Effect of deviation from estimate not booked to income	465	
Employer's national insurance contributions	107	125
Net pension commitments	647	886

The financial assumptions that underlie the scheme are:

Anticipated yield on pension funds	7 %
Discount rate	6 %
Anticipated annual rate of increase in wages/pensions/national insurance basic pension	2 %
Turnover	0 %

The actuarial assumptions are based on those generally used in insurance when it comes to demographic factors and mortality.

Note 12 Taxes

The year's tax expenses are distributed as follows:	Lerøy Seafood Group ASA		Lerøy Seafood Group Consolidated	
	1999	1998	1999	1998
Tax payable	3 354	5222	8 554	9 675
Refund on dividends	-65	-101	-25	-49
Changes in deferred tax	-446	-147	-385	-138
Total tax expenses	2 843	4 974	8 144	9 488

Calculation of the basis for the year's taxes:	Lerøy Seafood Group ASA	
	1999	1998
Pre-tax profits	11 399	18 128
Permanent differences		
Non-deductible interest on taxes	77	
Profit from sale of shares		27
Changes in preliminary differences	1 592	495
Correction preliminary differences in previous years	-1 089	
Year's tax basis	11 978	18 650

	Lerøy Seafood Group ASA		Lerøy Seafood Group Consolidated	
	1999	1998	1999	1998
Preliminary differences:				
Accounts receivable			2 713	2 611
Stock in hand			-290	-974
Buildings/operating equipment	190	1 782	4 275	6 134
Other differences			-10	-10
Shares			-2 927	-2 390
Pensions			-647	-886
Total	190	1 782	3 114	4 485
28% deferred tax	53	499	871	1 256

Explanation of why the year's tax expenses do not amount to 28% of the pre-tax results:

	Lerøy Seafood Group ASA	Lerøy Seafood Group Consolidated
28% of pre-tax results	3 192	10 184
Permanent differences (28%)	21	111
Share in profits of affiliated company (28%)	-	-1 734
Refund on dividends	-65	-25
Correction of preliminary differences (28%)	-305	-392
Estimated tax expenses	2 843	8 144

Note 13 Income from sales

Lerøy Seafood Group Consolidated	1999	Share in %	1998	Share in %
Product area				
Whole salmon	1 097 371	56,3	988 531	56,5
Processed salmon	424 696	21,8	201 206	11,5
Frozen whitefish	131 681	6,8	225 700	12,9
Fresh whitefish	176 595	9,1	202 955	11,6
Pelagic fish	78 906	4,0	76 983	4,4
Other	39 708	2,0	54 236	3,1
Total	1 948 957	100	1 749 611	100
Geographic distribution				
Europa	1 045 293	53,6	1 037 520	59,3
Japan, China and remaining Asia	504 641	25,9	349 922	20,0
USA / Canada	208 350	10,7	136 470	7,8
Norway	110 222	5,7	173 211	9,9
Eastern Europe	75 080	3,9	48 989	2,8
Others	5 371	0,2	3 499	0,2
Total	1 948 957	100	1 749 611	100

Note 14 Payroll expenses, no. of employees, remuneration, loans to staff, etc

Lerøy Seafood Group Consolidated

Payroll expenses	1999	1998
Wages and salaries	40 541	44 286
Employer's national insurance contributions	5 708	5 068
Pension costs	128	140
Other payments	197	102
Total	46 574	49 596

Average number of employees in the Group was 179.

Remuneration to executives	Group Managing Director	Chairman of the Board	Board of Directors
Salaries	714	453	270
Other remuneration	22	23	

Authorisations / options

At the ordinary shareholders' meeting in 1999, the Board of Directors in Lerøy Seafood Group ASA was authorised to issue 3,800,000 shares with a face value of NOK 1.00 to be used in private placements, mergers or takeovers. This authority has not been used. Moreover, at the same shareholders' meeting, the Board was authorised to issue up to 500,000 shares to the Group's employees in connection with an option programme. As at 12 July 1999, the Board had allocated a total of 452,000 options, each entitling the holder to subscribe to one share at an exercise price of NOK 12.00 per share. The allocated options may be exercised in stages, the first time for 30% of the options after the ordinary shareholders' meeting in 2000, then for 40% and 30% after the ordinary shareholders' meetings in 2001 and 2002 respectively. If the option holder leaves the company, any options not exercised will lapse.

Neither the Managing Director, the Chairman of the Board or the other Members of the Board participate in the option programme.

Loans to staff

Loans to staff amount in all to NOK 487,000. These loans are repaid over five years. The ruling interest rate at any time is the normal interest rate determined by the authorities.

No loan/guarantee has been granted to the Executive Manager, Chairman of the Board, or other closely related parties. No individual loan/guarantee amounts to more than 5% of the company's equity capital.

Auditor

The 1999 auditor's fee debited to the consolidated accounts of the Lerøy Seafood Group amounts to NOK 330,000, while advisory services are debited in the amount of NOK 319,000.



Note 15 Items that have been joined together in the accounts

Financial revenues	Lerøy Seafood Group ASA		Lerøy Seafood Group Consolidated	
	1999	1998	1999	1998
Interest revenues from businesses within the same Group	3 100	3 100		
Other interest revenues	22	214	650	1 114
Dividends	233	175	88	176
Total financial revenues	3 355	3 489	738	1 290

Financial expenses	Lerøy Seafood Group ASA		Lerøy Seafood Group Consolidated	
	1999	1998	1999	1998
Interest expenses from businesses within the same Group				
Other interest expenses	957	1 004	2 923	4 101
Other financial expenses	22	17	1 232	1 603
Total financial expenses	979	1 021	4 155	5 704

Net financial items	1999	1998	1999	1998
	2 376	2 468	-3 417	-4 414

Note 16 Public-sector support

No public-sector grants were received in 1999, while in 1998, grants totalling NOK 5.4 million were received.

Den norske Bank's 1999 Company of the Year Award

Fasimile BA 6.10.99

EN GLAD LAKS TIL MIDDAG
PRISEN ER RENE FISKELYKKEN

LERØY LAKSEN

© STOLT PRISVINNER: Halvard Lerøy jr. var lykkelig på vegne av Lerøy Seafood Group ASA - Fangerne og etatistene skal deles med alle våre medarbeidere, så den vekstene juniores.
FOTO: SIVIN KLIVNE

En glad laks etter prisseeier

Den eriksborgenske sjamatbedriften Lerøy Seafood Group ASA med en årlig omsætning på 1,75 milliarder kroner fikk i går ytterligere 50 000 kroner inn i sin allerede velfylte pengebøtte.

beklaget Halvard Lerøy jr. at sønnen Ole-Eirik som er konrektor ikke kunne være til stede i går.

Jeg vet med sikkerhet at han vil dele beløpet med de ansatte, for prisen er et resultat av samarbeidet teamwork.

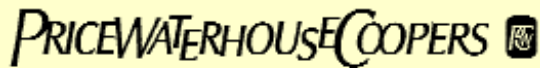
I begrunnelsen til prisen ble det sagt at «prisvinneren er preget av et ungt og tverrslaglig arbeidsmiljø. Medarbeiderne har varierende utdannelse, erfaringer fra ulike næringer, og ikke minst bakgrunn fra forskjellige land.

Bedriften besitter dermed et bredt kompetansespekter, akse med innsikt i og erfaring fra markeder og kulturer verden over».

EDVARD PITTERSEN

I sin takketale over å ha vinnnet Den Norske Bank's Bedriftspris

Auditor's Report



PricewaterhouseCoopers DA
Postboks 1906 Nordnes
N-5817 Bergen
Telefon 55 23 84 00
Telefaks 55 23 26 40

To the Annual General Meeting Lerøy Seafood Group ASA

Audit Report for 1999 (Translation from Norwegian)

We have audited the financial statements for Lerøy Seafood Group ASA for 1999 which showed a profit for the year of NOK 8,556,000 for the parent company and NOK 28,228,000 for the group. We have also audited the information in the Board of Directors' report, the requirements for further operations and the proposal for the application of the profits. The financial statements consists of the income statement, balance sheet, cash flow statement, notes and consolidated financial statement. The financial statements and report have been presented by the company's Board of Directors and its administrative manager. Our responsibility is to express an opinion on the company's financial statements and other related matters in accordance with the provisions of the Norwegian Act on Auditing.

We have performed the audit in accordance with the relevant legislation and generally accepted Norwegian auditing standards. Accepted auditing practice requires us to plan and perform the audit so as to reassure ourselves that the annual report and financial statements do not contain material misstatements. The audit comprises examination of the evidence supporting information in the accounts on a sample basis and assessment of the accounting principles applied and significant accounting estimates as well as an assessment of the overall financial statements' contents and presentation. To the extent it is required by generally accepted auditing standards, we have also reviewed the company's asset management routines and internal controls. We believe that our audit provides us with a sound basis for our report.

We believe that

- the financial statements have been presented in compliance with legislation and regulations and give a fair presentation of the financial position of the company and the group as of 31 December 1999 and the profits and cash flows during the financial year in compliance with generally accepted Norwegian accounting principles,
- management has fulfilled its duty to ensure proper and clear registration and documentation of financial information in accordance with Norwegian legislation and generally accepted accounting principles,
- the information in the annual report on the year's financial statements, the basis for continued operations and the proposal for the application of the surplus are consistent with the financial statements and comply with ruling legislation and regulations.

Bergen, 16 March 2000
PricewaterhouseCoopers DA

Geir Inge Lunde
(State Authorised Public Accountant)

Kontor: Oslo Årstad Bergen Trondheim Fredrikstad Lillehammer Kristiansund Mo i Rana Steinkjer Tromsø Trondheim Trondheim Ålesund
PricewaterhouseCoopers navnet refererer til individuelle medlemmer og tilknyttede selskaper som er medlemmer av Det norske Revisorsentrum i PricewaterhouseCoopers organisasjon
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Photo page 4, 6, 9, 10, 12, 15, 16, 20 og 27: Pro, Elsenberg, Tyskland.

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